DOCUMENT RESUME

ED 146 832 HE 009 386

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TITLE Aid to Higher Education. A Continuing Federal Dilemma (Historical Involvements and Precedents for the Future).
INSTITUTION Michigan Univ., Ann Arbor. Center for the Study of Higher Education.
PUB DATE Jul 75
NOTE 61p.
AVAILABLE FROM Center for the Study of Higher Education, School of Education, The University of Michigan, Ann Arbor, Michigan ($2.50)

EDRS PRICE MF-$0.83 HC-$3.50 Plus Postage.
DESCRIPTORS Educational Finance; Educational History; *Federal Aid; *Federal Legislation; Financial Support; *Government Role; *Government School Relationship; *Higher Education; Historical Reviews; *Political Influences; Public Education; Trend Analysis

ABSTRACT

The events and legislation that have led to the present federal policy toward higher education are traced. The ongoing federal policy is shown to reflect the instability of a constantly changing political environment and a lack of consensus on the part of the political figures. The federal government has, within the last two decades, considerably increased its impact on higher education as a result of unprecedented funding. That funding has been largely the result of an increasingly broader definition of what the public welfare and the national defense might encompass, and what higher education might provide for welfare and defense. (A five-page bibliography is included.) (Author/LBH)

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AID TO HIGHER EDUCATION
A Continuing Federal Dilemma

Historical Involvements and Precedents for the Future

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Center for the Study of Higher Education
School of Education, The University of Michigan
Ann Arbor, Michigan

July
1975

$2.50

AID TO HIGHER EDUCATION

A Continuing Federal Dilemma

(Historical Involvements and Precedents for the Future)

by

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July 1975

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PREFACE

Although there is no specified Constitutional provision that the federal government provide for the education of its citizens, historical events have evidenced a gradual and considerable involvement of the federal government in educational matters. However, the national welfare and the defense of the nation have provided legislators and presidents with viable rationales for channeling monies to education. We are not concerned with the total educational sphere but rather have limited our study to federal aid to higher education. The term "higher education" is used throughout the paper because of its historical longevity, rather than the current term "postsecondary education."

It has been our intent to historically trace the events and legislation that have led to the present federal policy toward higher education. We believe that ongoing federal policy toward higher education reflects the instability of a constantly changing political environment and a lack of consensus on the part of its political actors. The federal government has, within the last two decades, considerably increased its impact on higher education as a result of unprecedented funding. This funding has been largely the result of an increasingly broader definition of what the public welfare and the national defense might encompass, and what higher education might provide for Welfare and Defense.

We would like to thank the following people: James L. Miller, Jr., who encouraged us to pursue this topic; Joseph P. Cosand and Norman C. Harris for their editorial assistance. Additional thanks go to Congressional leaders from both sides of the aisle who provided us with documents which otherwise would not have been brought to our attention. And a special thanks go to our respective spouses, Bob and Karen, who allowed us to spend so much time together.

Bette Everett Hamilton
Martin E. Laufer
Ann Arbor, Michigan
March, 1975

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I. THE BEGINNING OF FEDERAL POLICY TOWARD HIGHER EDUCATION

American higher education began in 1636 with the founding of Harvard College. The General Court of Massachusetts appropriated four-hundred pounds toward the establishment of the College, setting the first precedent of governmental support for higher education in America. By the time of the American Revolution there were sixteen colleges in the colonies, most of which were at least partially funded by colonial governments or the Crown.

Education was valued highly by the settlers of New England. Calvinism required that the Bible be read in every household. The Colony of Massachusetts in 1642 empowered town officials to fine any parent or guardian who failed to have his dependents trained ". . . in learning and labor but also to read and understand the principles of religion and the capitall lawes of this country."[1]

It was both the appreciation for the value of education and the desire to keep the colonial youths near home, that induced the colonial governments to subsidize and establish higher educational institutions nearby. Even into the nineteenth century "only where the New England heritage of universal, compulsory education prevailed that we can find full-fledged public school systems."[2]

Although several of the Founding Fathers are often quoted as stressing the relationship between democracy and educated citizens, there is no mention of a specified federal role in education in the Constitution. Dr. Benjamin Rush, a signer of the Declaration of Independence and a physician, proposed to delegates at the Constitutional Convention that Congress be given the power to found a federal university. Washington, Jefferson, and Madison were very much in favor of the idea of a federal university, but a provision for such a national university was not written into the Constitution; the Framers rationalized that the new Congress had the power to create such an institution in the District of Columbia. The idea of a federal university was the result of a desire to train national leaders in a broad environment, away from the narrow or parochial views of local custom and education. It was thought that a federal university would also lend prestige to the new Nation.

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1. Ellwood P. Cubberley, Public Education in the United States (Boston: Houghton Mifflin Co., 1934), p. 326.

2. Richard G. Axt, The Federal Government and Financing Higher Education (New York: Columbia University Press, 1952), p. 20.

During the first twenty-five years of the new Republic, every President urged Congress to pass the act establishing a federal university, but such an act never came to fruition. The Smithsonian Institution, founded in 1867, was the closest attempt at establishing an institution for national learning.

Thomas Jefferson is usually credited with being the strongest early political advocate of education. It is probably justifiable to infer that he would not have imagined education to be available to more than the landed gentry who, at that time, were the pillars of society. It is important to note, however, that Jefferson held that education was necessary for the Nation's survival. He said in an address to Congress on December 2, 1806, the following:

> Education is here placed among the articles of public care, not that it would be proposed to take its ordinary branches out of the hands of private enterprise, which manages so much better all the concerns to which it is equal; but a public institution can alone supply those sciences which though rarely called for, are yet necessary to complete the circle, all the parts of which contribute to the improvement of the country, and some of them to its preservation.[3]

In 1806, Jefferson proposed that authority be given to Congress, through a Constitutional amendment, to expend federal funds for the "great purposes" of public education, roads, rivers, and canals.[4]

In 1786, Rufus Putnam and Benjamin Tupper met in Boston to form the Ohio Company which hoped to purchase lands in the western territories of the new Republic and promote their settlement. In order to make the Northwest Territories seem more desirable to early settlers from the New England states, the Ohio Company sent one of their directors, Dr. Mannasseh Cutler of Massachusetts, to persuade Congress to include land grants for education in the forthcoming ordinance concerning the government of the Northwest Territories. Cutler was successful and the new ordinance was passed on July 23, 1787, reserving "the sixteenth section in each township for the maintenance of public schools; and two complete townships for the support of a university."[5]

The Ordinance of 1787 became the first national grant for the support of higher education; it eventually resulted in the founding of Ohio

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3. Homer D. Babbidge, Jr. and Robert M. Rosenzweig, The Federal Interest in Higher Education (New York: McGraw-Hill Book Co., Inc., 1962), p. 4.

4. Ibid.

5. Axt, The Federal Government, p. 27.

University in 1804. What is significant as far as a study of governmental policy is concerned, is that Congress included land grants for education in the bill not because of any predilection for education, but because Congress wanted to sell the lands to the Ohio Company. Federal land grants for education were a negotiable item, advocated by prominent Eastern citizens who appreciated the degree of indebtedness in which the national government found itself. The federal government was directly dependent upon the states for support.

As a result of the Ordinance of 1787, "Each State admitted to the Union after 1802 except Maine, Texas, and West Virginia, received two or more townships of land for the purpose of endowing a university."[6]

Although there was still talk about a national university in 1802, the Congress, realizing the country's dire need for trained military leaders, established the U.S. Military Academy at West Point. West Point's creation exemplified the federal government's willingness to support a higher educational institution in order to produce the highly-skilled manpower that it needed. Although West Point did not offer degrees until 1933, the military academy served the young nation well. It is estimated that in 1850, nearly every engineered bridge and highway in the United States had been designed and constructed by a graduate of West Point.[7]

Due to the success of West Point and the continuing lack of adequate numbers of trained military leaders, the federal government established its second institution of higher education, the Naval Academy, at Annapolis in 1845. Although the Government created West Point and Annapolis relatively early in the history of higher education, federal training of college students in military programs was not destined to remain confined to the military academies.

Today's well-established federal policy of buying services from higher education can be traced back to 1830 when the Secretary of the Treasury entered into a contractual agreement with Franklin Institute of Philadelphia. Franklin Institute was charged with investigating the cause of explosions in steam boilers.

As the nineteenth century progressed, religious denominations began to help spread their faith by educating their young men in church-related

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6. Douglas M. Knight, ed., The Federal Government and Higher Education (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1960), p. 42.

7. Babbidge and Rosenzweig, The Federal Interest, p. 7.

colleges. The states, conscious of this movement and pressed to honor the separation between church and state, began to erect their own, non-sectarian colleges.

The State of New Hampshire decided in 1819 to expropriate Dartmouth College and convert it to a state institution. However, Dartmouth took the issue to the U.S. Supreme Court and the High Court of the land ruled that once a charter is given, it is irrevocable, and declared that Dartmouth College had the right to remain an independent university. The Dartmouth College Case is credited with fostering the dual system (private-public) of higher education still found today in the United States. The Court's decision encouraged private patrons to establish institutions independent of government; at the same time it stimulated state governments to provide higher education for the citizenry.

The passage of the Morrill Act of 1862 is generally regarded as the first overt federal involvement in higher education. Its history is fascinating and worth repeating, as its impact is still significant today for all the land grant institutions.

Although educational reformers of the day, such as President Wayland of Brown University, argued for the dissemination of "practical" knowledge along with the "classics" within the curriculum, the colleges of the 1850's made no attempt at change. Public opinion seemed to have little respect for the type of higher education offered at the time. Massachusetts withdrew its financial subsidies from Harvard because, as a legislative committee put it,

> The College fails to answer the just expectations of the people of the State because its organization and instruction are a quarter of a century out of date . . . . It should give the people the practical instruction they want, and not a classical-literary course suitable only for an aristocracy.[8]

Representative Justin Smith Morrill of Vermont introduced legislative reform in 1857, calling for the federal government to donate land grants to the states on the basis of their representation in Congress. The proceeds from the sale of the lands were to form a perpetual fund in each state to establish at least one college in which the

> . . . leading object shall be, without excluding other scientific or classical studies, to teach such branches of learning as are related to agriculture and the mechanic arts, in such

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8. Axt, The Federal Government, p. 31. This is quoted from S. E. Morison, Three Centuries of Harvard (Cambridge: Harvard University Press, 1936), p. 287.

> manner as the legislatures of the states and territories may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life.[9]

There was considerable opposition to Rep. Morrill's bill in the House from Southern representatives. These representatives protested the bill on the grounds that they thought it to be unconstitutional. The Morrill Act, however, managed to narrowly pass both the House and the Senate. It was President Buchanan who prevented the act from becoming law by using the presidential veto (1859). Although Buchanan attested that he used the veto because he questioned the constitutionality of the bill, it was alleged that he feared the land grant issue.[10]

During the Buchanan years, there was division between the Eastern and Western States regarding the sale of public lands. The Western States opposed the sale of public lands because they feared it would lead to speculation. Under the proposed Morrill Act, the Eastern States, which no longer had any available public land, were to receive money for available lands in the newer states. Thus, benefits from public lands in the West would have been extended to institutions in the older Eastern states.

> What delayed the enactment of the Morrill Act more than the question of states' rights, constitutionality, Federal control of education, and especially, more than the educational merits of the bill, which were barely discussed in the debates, was a sharp cleavage between the East and the newer states of the West on the basic policy that should be applied to the public lands.[11]

After the election of 1860, Rep. Morrill reintroduced his bill. Civil War had divided the country and the Southern opposition was no longer a factor. Rep. Morrill's bill passed Congress and was signed by President Lincoln. Passage of the Morrill Act was helped along by agrarian associations lobbying for passage of the bill. The wealthy landowners and the educational reformers mobilized into a strong pressure group. It was at this time that the Department of Agriculture was created in the cabinet as a result of the vocal public interest.

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9. Ibid., p. 38.

10. George N. Rainsford, Congress and Higher Education in the Nineteenth Century (Knoxville: University of Tennessee Press, 1972), p. 90. This is quoted from the Congressional Globe, 35th Congress, 2nd Session, pp. 1412-13.

11. Axt, The Federal Government, p. 40.

The passage of the Morrill Act is significant for many reasons. It brought into practice the policy of categorical grants for higher education. Although the Morrill Act encouraged agriculture, the mechanic arts, and military training in the new land grant colleges, the Act did not limit the curriculum only to the above subjects. The legislation did not require that the institution be public in support. To this day, for example, the Massachusetts Institute of Technology and Cornell University receive funds for their curricula established from the land grant act. By not limiting federal support to public institutions, another precedent was established in the federal government's developing policies towards higher education. The Morrill Act was also important because the federal government began to provide for the "general welfare" in strengthening manpower development in certain needed fields. The federal government also recognized the need for higher educational institutions to remain autonomous in control.

Congressman Morrill attached an amendment to his bill the second time that it was introduced. The amendment required that military science also be taught at the land grant institutions. Congressman Morrill and the other Northern leaders may have attributed the success of the South in several battles of the Civil War directly to the South's military academies. It is significant that the first major federal program for the support of higher education encouraged the participation of colleges in the national defense.

The Morrill Act of 1862 eventually led to the establishment of sixty-nine land grant institutions. It helped establish a federal policy toward higher education in the following respects. The federal government acted out of pressure from public groups--the agricultural societies, the educational reformers, and the public land developers. The land grant colleges were to emphasize vocational and professional education rather than "liberal" education. The research carried on by the land grant colleges was to be "practical" and directly applicable. The federal government also made it perfectly clear that these new colleges were for the education of a broad spectrum of the people, not just a select aristocracy.

II. INDUSTRIES OF LIFE*

The legislation affecting higher education did not conclude with the Morrill Act of 1862; rather, the precedent was established for future federal involvement. During subsequent decades, there were many pieces of legislation that could be considered the forerunners of today's fiscal policies in the area of federal responsiveness. Many of the acts or bills of a given year gave way or were directly related to subsequent legislation. As Charles Quattlebaum remarked, ". . . every enacted measure affecting education has contributed to the establishment of some phase of federal policy in this field."[12]

The importance of the Morrill Act of 1862 is legend. There were, though, two overriding principles that were the legacy of this notable legislation: one, that the rationale for it was based on national manpower needs, yet the bill mandated institutional autonomy; and two, that the funds were not limited to public institutions.[13] Federal funds were mandated on the basis of a national need for a service, i.e., education; the way was paved for any future funding that involved federal expenditures to both public and private institutions. The Morrill Act of 1862 became a pivotal point for the next six decades. As a result of the Morrill formula for financing the land grant institutions, higher education was to grow substantially. Many of the acts, bills, and movements within the federal government are often overlooked, but their importance cannot be ignored. The educational community recognized a need for a spokesman within the federal government. In 1867, the Department of Education was established, with a mandate to collect statistics and facts designed to show the progress of educational programs and diffuse this information to interested persons.[14] Thus, over a century ago, the importance of education to the nation was established; there was a recognized

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12. Charles A. Quattlebaum, "Federal Educational Policies, Programs, and Legislative Issues," The Educational Record 333(October 1952): 514.

13. Homer D. Babbidge, Jr. and Robert M. Rosenzweig, The Federal Interest in Higher Education (New York: McGraw-Hill Book Co., Inc., 1962), p. 11.

14. U.S. Library of Congress, Legislative Reference Service, Federal Educational Policies, Programs, and Proposals, A Survey and Handbook; Part I, Background; Issues; Relevant Considerations, by Charles A. Quattlebaum (Washington, D.C.: Government Printing Office, 1960), p. 53.

*Industries of Life refers to the type of education emphasized by the two Morrill Acts.

need for a department to oversee the educational programs of the federal government. Just as today, the importance of education fluctuated with the political mood of the country. In 1869, the Department of Education was relegated to "Office" status and subsequently to a "Bureau" in the Department of the Interior. The decreasing importance of education within the federal government, as exemplified by the aforementioned transition, did not go unnoticed by the National Education Association (the most important organized educational lobby at that time) which continued to support federal aid to education.

There have been many fluctuations since then and to this day there is no single Department of Education. The separation of education into primary, secondary and postsecondary is rarely achieved in legislation. Funding to one is intricately linked to funding for the others: omnibus bills have prevented, and continue to prevent, the educational interest groups from concentrating in their respective domains.

An oft overlooked bill regarding the funding of higher education was the ill-fated Perce Bill (1871). Sponsored by a Mississippi Republican, this bill provided for free public schools for all those citizens between the ages of six and sixteen; amendments to this bill were offered in the House which would have linked higher education to public financing. The amendments extended the age parameters, to four on the lower end of the spectrum and twenty-one on the upper end. The House voted one hundred-seventeen to ninety-eight in favor of passage, but the bill was defeated in the Senate.[15] Although many of the "Southerners" voting in favor of the Perce Bill were reconstructionists, the House members, by their vote, supported education beyond the high school years. This is the same essential proposal that Congressman O'Hara has made recently in support of public funding for the first two years of postsecondary education.

The 1870's saw a flurry of activity on the part of the federal government in the area of the military services. In 1874, a bill was passed setting up six nautical schools to be located at various ports; the bill was extended to add four more schools over thirty years and with it came the principle of matching funds. Congress stipulated that "a State or locality would receive Federal funds for such schools equal to the amount appropriated by the State or local government."[16] This entire realm of authority was eventually consolidated in the Merchant Marine Act of 1936 with the subsequent establishment of the Merchant Marine Academy at Kings Point in 1941. The Academy's prime purpose has been to produce officers

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15. A Preliminary Study for the Governors' Conference--Is Education the Business of the Federal Government, by Terry Sanford, Chairman (Cleveland: Office of Terry Sanford, 1964), pp. 57-59.

16. U.S. Library of Congress, p. 20.

for steamship companies and not the government, and in light of federal fiscal policy, this precedent appears to be somewhat contradictory. An institution with the intent to serve private industry, thus, became funded by the federal government. Also, in the 1870's, the federal government instituted a school for apprentice engravers (1879); this founding was to set precedents for future non-degree granting schools. These schools were funded by the federal government for the improvement of skills and extended education to the employees of the federal government on a tuition-free basis.

In addition, Congress has been responsible for the District of Columbia; in 1879, Congress first allocated federal aid to Howard University, a private institution. Still primarily a Negro university, monies could flow to Howard under the Constitutional authority to care for Washington, D.C. It is true that other private institutions in the District never received federal appropriations equal to Howard but this subsidy to Howard was seen as necessary for the maintenance of "separate but equal" systems.

The importance of the Hatch Act of 1887 and of the Adams Act of 1906 is obvious when federal funding is traced to the present day, for these two acts, taken in tandem, initiated the principle of funding for specific research. The Hatch Act, as Axt points out, provided direct money, rather than land, to the states.[17] This direct funding was for specific projects rather than general ones, as had previously been the case. The funds allocated under the Hatch Act were for practical research, research that would benefit the nation as a whole, even though the money went to the states. Although the program was placed under the U.S. Commissioner of Agriculture, the Commissioner's main function was to coordinate the grants; however, the land grant colleges were, in reality, the choosers of their own research. The Adams Act (1906) specified the coordination duties of the Commissioner, requiring the projects to be more clearly delineated.[18] Yet the Department of Agriculture still allowed shifts of funds within the area if the particular institution saw fit. Thus, the funding pattern became geared to specificity rather than simply land grants. As is known, this is a pattern that is today being followed even more closely in a time of fiscal retrenchment.

Although the 1862 Morrill Act is the one most closely associated with funding policy, its successor, the 1980 Morrill Act is often thought to be even more important. Essentially, the Morrill Act of 1890 further delimited the use of funds to be awarded to the land grant institutions

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17. Richard G. Axt, The Federal Government and Financing Higher Education (New York: Columbia University Press, 1952), p. 51.

18. A Preliminary Study, p. 22.

in favor of the agricultural-mechanical-scientific sectors (industries of life). It excluded "other scientific and classical studies"[19] beyond the 1862 legislation. Furthermore, it "introduced the policy of federal money grants for instruction in certain branches of higher education."[20] The new Act also legitimized separate but equal facilities for blacks and whites--a decision that was to stand until 1954.

The Morrill Act of 1890 significantly influenced higher education in the following two ways: first, the annual income of land grant institutions was more than doubled by "federal sources;" and second, this funding was to mark an upswing in the importance, quality, and quantity of public higher education.[21] The following statement concerning this policy came from the Interim Study Committee on Federal Aid to Education, chaired by Terry Sanford: "With the passage of the Second Morrill Act in 1890 the Congress adopted a policy of annual appropriations to the land grant colleges."[22]

The Morrill Act was not the only legislation to spur higher education during this period; the Constitutional mandate to provide for the national defense led directly to the establishment of certain programs and schools. Charles Quattlebaum has stressed the expansion of education in the late 1800's and early 1900's:

> From 1901 to 1920 there was considerable expansion in the number of special service schools and in the variety of curriculums. The National Defense Act of 1916, as amended in 1920, established the Reserve Officer Training Corps at four year universities and colleges to 'qualify students for positions of leadership in time of national emergency.'"[23]

In 1893 the federal government established the Army Medical School, and in 1901 it established the Army War College, both of which were "post-graduate" institutions for senior officers. Although West Point and Annapolis had been operating for some time, the Army Medical School and Army War College further broadened the base of federal funding, even if the education was

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19. Axt, The Federal Government, pp. 56-57.

20. Douglas M. Knight, ed. The Federal Government and Higher Education (Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1960), p. 45.

21. Axt, The Federal Government, pp. 57-59.

22. A Preliminary Study, p. 21. This is quoted from 7USC 321-328.

23. U.S., Library of Congress, p. 11.

"in-house." In 1915, the Coast Guard Academy was founded; later, graduates were also to receive academic degrees.

World War I brought the federal government and colleges and universities into closer proximity, for during this period contractual arrangements for research in connection with national defense were both initiated and consummated. One of the programs was the Students Army Training Corps which, though disbanded in 1918, was not without significance for the government recognized the financial plight of colleges and universities. The government acknowledged the need for colleges to keep up their enrollments, and hence the Act provided for the training of technicians and professional scientists along with training of students as soldiers directly on the campuses. The number of people to be trained would have numbered 200,000, had the students Army Training Corps not been disbanded. In 1916 the National Defense Act was instituted of which the Reserve Officer Training Corps (ROTC) was a part. The Act fostered a new concept--the close relationship of the military and civilian institutions. ROTC would eventually provide money for students, also on a contractual basis.

It is apparent from United States history that postwar years have always created change in policy, and World War I was no exception. Provisions were made in the Vocational Rehabilitation Act of 1918 to train veterans unable to find gainful employment; a course of "rehabilitation" would be offered by the Federal Board for Vocational Education.[24] A year later, educational institutions received war surplus at minimal cost. The latter policy was changed after World War II when surplus was donated. The two above mentioned pieces of legislation enabled institutions of higher education to gain both the financing and the equipment necessary for advancing technology. More important, these acts were precedents to be followed in later years. The sharing of war surplus with institutions of higher education continued until the 1970's, when the Nixon Administration abolished the practice.

During the years of the first World War, two other pieces of legislation contributed to the financial well-being of colleges and universities: the Smith-Lever Act of 1914 and the Smith-Hughes Act of 1917. The former was primarily an act to benefit the agricultural segments of the country, the latter the industrial segments. The Smith-Lever Act provided matching funds for extension services in agriculture and home economics; this Act was a reaffirmation of the principle of matching funds which had been instituted in the 1874 nautical bill. The Smith-Hughes Act was primarily aimed at vocational education, and was an extension of the early Morrill Act, with inroads into post-high school industrial training. Both of these non-emergency programs showed "a trend away from a federal support of education in general to specific aspects of education having a strong interest-group support."[25]

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24. Knight, The Federal Government, p. 50.

25. Axt, The Federal Government, p. 72.

The year 1920 marked three more instances of federal intervention, all in distinct areas: army training, a graduate school chartered by the federal government, and another vocational rehabilitation act. Although ROTC has been previously mentioned, its formalization and acceptance by colleges and universities began in 1920. The second area refers to the establishment of the Graduate School of the Department of Agriculture, a non-degree granting institution offering courses for government employees, some of which would be transferable to degree programs. This was the first time that the federal government had made arrangements with other institutions regarding certification of the Department's courses. The final allusion is to the Smith-Bankhead Act which was a cooperative venture with the states, and provided funds for the vocational rehabilitation of disabled persons. Although the Smith-Bankhead Act was not specifically aimed at higher education, most of its provisions were related, since the thrust of the bill was to aid people injured in industry.

The federal assistance that institutions of higher education received from the 1920's through the Second World War was the result of broad programs designed primarily for purposes other than education. During the Twenties, colleges and universities began to get back on their feet after the student shortages caused by World War I. The end of the war had resulted in: colleges and universities acquiring some surplus military property; the institution of permanent Reserve Officer Training Programs on college campuses; and the establishment of special collegiate programs for disabled veterans. It should be noted, however, that the wartime research initiated at colleges and universities during the First World War was not financed by the federal government. Such research was paid for by the colleges themselves or by the National Research Council, operated by the Rockefeller and Carnegie Foundations.[26]

In 1925, the federal government began the "contact" Navy Reserve Officers' Training Corps which operated similarly to the Army's ROTC. Students would receive military training on civilian campuses and benefit from small monthly salaries from the federal government while attending college. Upon graduation, the students would receive commissions from the Navy and be required to serve three years of active duty.

The period, from 1863 to 1930, saw the institution of some federal funding policies that were to be the fore-runners of present theories of funding for higher education. Almost all of the methods of funding have evolved into a format more workable to the technocratic world. As the Sanford Commission stated:

> . . . each cycle of efforts in behalf of general federal aid has culminated in Congressional approval of additional programs of categorical assistance for the attainment of specific national goals.[27]

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26. Ibid., p. 78.

27. A Preliminary Study, p. 53.

III. GROWING INVOLVEMENT

The 1930's are known as the years of the Great Depression. Most economic aspects of American life suffered from severe downward trends; higher education benefited somewhat from the fact that few young people could find jobs and, therefore, attended colleges and universities in greater numbers.

"On the eve of the Depression, President Hoover's Advisory Commission on Education reported to him that there were 31 provisions of the Constitution under which the Federal Government could find authority for educational actions."[28]

In 1931, the Hoover Commission recommended that there be general federal aid given to the states for educational purposes; that federal research and information services be further developed; that the United States engage in cooperative educational activities with other countries; and that a Department of Education be re-established with its Secretary a member of the President's cabinet. Historically, this Commission's recommendations were far-reaching, but few of the ideas were ever implemented.

President Franklin Roosevelt had the problems of the Great Depression on his hands when he took office in January 1933. The Federal Emergency Relief Administration supported various educational programs although education was not its primary focus. It was the Federal Emergency Relief Administration which initially instituted the College Student Work Program which the National Youth Administration assumed control of in 1935. The College Student Work Program was the most important aid to higher education during those depression years. The Emergency Relief officials, concerned over the effects of the depression on college attendance, fostered support for the above work program. Both scholarships and loans were discussed, but a work program was decided upon.

It is estimated that about 1500 out of 1700 eligible colleges in the United States at that time participated in the work program. This program was managed by state youth administrators in cooperation with a staff member at each participating college who certified eligible students. Approximately 620,000 college students benefited from this program, but as in most federal programs, certain shortcomings were worth noting. For

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28. Homer D. Babbidge, Jr. and Robert M. Rosenzweig, The Federal Interest In Higher Education (New York: McGraw-Hill Book Co., Inc., 1962), p. 17.

lack of adequate funding there were always more applicants than could be accommodated by the College Student Work Program. Many of the jobs that college students found themselves working on were not related to their academic interests and were indeed menial in nature.

The Reconstruction Finance Corporation made some federal loans to colleges and universities during the early years of the Great Depression for capital outlays. The Public Works Administration was a more significant source for the financing of construction and remodeling at public colleges and universities than was the Reconstruction Finance Corporation. The Public Works Administration Program was the only program prior to the 1960's that made a distinction between public and private institutions by funding only the public sector. Capital outlays were not restricted to dormitories or student unions as was the College Housing Loan Program of the 1950's. The federal government helped to fund 662 public college building projects (academic facilities as well as dormitories) in order to provide jobs for unemployed Americans, at a cost to the government of about 200 million dollars.[29]

In spite of increased federal involvement as necessitated by the new programs of the 1930's, there was no outcry by the general public or Congress concerning the constitutionality of such federal actions. The Constitution has proven to be very flexible in setting the stage for governmental assistance in the time of crisis and national emergency.

Although the Great Depression was characterized by social programs for economic revival, one act, the National Cancer Institute Act (1937), provided for public health service fellowships. In contrast to the College Student Work Program, the innovative National Cancer Institute Act, designed for graduate students, offered them meaningful employment in addition to their earned wages. The NCIA marked the beginning of the presently declining policy of awarding graduate fellowships for medical research.

The social welfare programs of the 1930's did not deal specifically with education, however the Roosevelt Advisory Committee on Education (1930) acknowledged the need for additional federal programs. The 1938 Committee suggested that new federal grants-in-aid be administered for the preparation of teachers and for educational research and planning; that federal aid be given to all needy students sixteen to twenty-four years of age; and that an interdepartmental committee be established solely to coordinate

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29. Ronald A. Wolk, Alternative Methods of Federal Funding for Higher Education (Berkeley: McGraw-Hill Book Co., Inc., 1968), p. 14.

the education acts of the federal government.[30] The recommendations of the Roosevelt Advisory Committee went unheeded for many years, as has been the case so often with advisory commissions. The National Defense Education Act (1958), the National Institute of Education (1972), and the Higher Education Act (1965) all have provisions which, to a limited degree, incorporated the basic concerns of President Roosevelt's committee. It should be noted that proposals which directly or indirectly affected education, and higher education in particular, came from several departments and agencies of the federal government and were not centralized at that time through the U.S. Office of Education.

World War II brought the United States out of isolation once again and into a full-scale defense involvement. In 1943 the Army Specialized Training Program was instituted on more than 350 colleges campuses, both public and private. This program, which sent thousands of soldiers to the "best" colleges and universities, was known as "the largest university on the face of the earth." Federal funds, surpassing 300 million dollars, were paid to institutions of higher education for maintaining the Army Specialized Training Program and the Navy College Training Program (V-12). About 100 million dollars of the subsidy represented tuition fees.

The Army Specialized Training Program (ASTP) and the Navy College Training Program (V-12) can be criticized for favoring the institutions where they were operating. Those colleges and universities not able to participate in the ASTP and V-12 programs suffered drastic enrollment drops due to war manpower needs. The war programs helped to keep many higher education institutions financially solvent during World War II. The ASTP and V-12 programs were curtailed sharply in 1946 when ROTC programs were resumed. Approximately three hundred fifty institutions participated in the military training efforts.

World War II marked the turning point in federal policy toward higher education in two important respects: (1) federal support of research and (2) student financial assistance for veterans.

In 1944, the federal government in anticipation of the end of the war and the retraining needs of millions of veterans who might soon be a burden on the job market, passed the Servicemen's Readjustment Act, better known as the G.I. Bill of Rights. This Act gave unprecedented educational opportunities to veterans. Veterans who were accepted at higher educational institutions were given a monthly allowance and support for the complete cost of their education. Tuition, room, board, fees, books, etc., were all paid by the federal government.

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30. Douglas M. Knight, ed., The Federal Government and Higher Education (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1960), p. 54.

The G.I. Bill had a significant impact upon the colleges and universities themselves. In order to provide for the influx of students, the colleges had to expand their physical plants as well as their curricula; therefore, tuition fees had to be raised. Tuition fees almost doubled in many cases; state colleges and universities were allowed to charge all veterans out-of-state tuition to help pay for the added cost caused by the massive influx of students. Colleges and universities had to absorb the overhead costs of veterans' offices which handled the administrative "red-tape" created by the G.I. Bill. It is estimated that over two million veterans attended college as a result of the benefits from the first G.I. Bill. The federal government has never since been as generous to students as it was to the veterans of the Second World War. Over four billion dollars had been paid by the Veterans Administration by June of 1949 for students in higher education; two-thirds going directly to the students for subsistence, and the other third going to the colleges and universities involved for tuition charges.[31]

As noted earlier, World War II also marked the beginning of federally sponsored research, largely devoted to defense contracts, at institutions of higher education. During the war, the federal government poured money into university laboratories and enlisted the aid of university scientists to help with the war and defense efforts. The Government was very successful in its approach to research, for indeed, atomic and nuclear weapons were developed to help end the war.

The federal government and higher education assumed the roles of buyer and seller respectively. The federal agencies bought the services of the universities and their faculties. The agencies were interested in promoting their specific goals, not in advancing the cause of higher education. The pursuit of defense-related research was the objective of the federal government in its deferment policy exempting scientists and scholars from military service. Those "key" personnel carried on the research necessary for the development of superior weaponry and tactical advantage. The deferment policy became a precedent for later wars, in particular, the Vietnam war which had a conscription policy of deferring all college students who sustained a competitive grade point average.

Also during World War II, the federal government supported a training program for civilians at colleges and universities. The Engineering, Science, and Management War Training Program gave operating grants directly to institutions of higher education to provide courses of critical importance to citizens. The program was cancelled at the end of the war, but it was an excellent example of the degree of cooperation that higher educational institutions and the federal government enjoyed during a time of national emergency and when the motivating reason was national defense.

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31. Richard G. Axt, The Federal Government and Financing Higher Education (New York: Columbia University Press, 1952), p. 127.

World War II, indirectly, had another impact on higher education. Standardized intelligence and achievement tests were given to every potential serviceman/woman before he/she was accepted into the military. For the first time there was documented proof of the poor quality of education administered by the states. Thousands of men were draft rejectees on the basis of low scores on the entrance tests. These records were subsequently provided to Congressmen and Senators who became acutely aware of the need for educational measures in the name of the national defense.[32] Thus, World War II set the stage for more federal subsidy and involvement in higher education.

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32. Babbidge and Rosenzweig, The Federal Interest, p. 16.

IV. NEW EXPANSIONS, MORE STUDENTS

The period following World War II was an interesting era for institutions of higher education. After a decline in enrollments during World War II, to ten percent of the 1939 level in some private institutions, the colleges were inundated by returning veterans, many of whom had probably not intended, before their military service, to further their education. With the G.I. Bill as an enticement, many sought the opportunity to rise above the educational levels of their parents. All of this added up to increased enrollments and certain financial benefits for colleges and universities.

In addition to tuition that contributed to the economic health of higher education, grants (research), real property, and other assorted post-war surplus were utilized without depleting existing capital resources. As Charles Quattlebaum has stated: "Contributions of the Federal Government toward the support of higher education appeared to increase nearly 20 percent from fiscal 1948 to fiscal 1950, with prospect for some further increase in fiscal 1951."[33] He goes on to state that:

> Payment of tuition and educational fees for veterans dropped about 25 percent from fiscal 1948 to fiscal 1950; but the increasing interest of the Federal Government in research caused an increase in contributions for this purpose great enough to overbalance the decrease in payments for tuition and education fees for veterans.[34]

The veterans were the catalyst for federal movement into higher education from 1946 to 1952. Once the move was made, any wholesale withdrawal of funds would have resulted in repercussions that might have negated the positive gains made in financial security for higher education institutions during the years following World War II.

The cessation of world hostilities did not end the military services' arrangements with colleges and universities; on the contrary, the Navy proceeded to formalize its "regular and contract" ROTC which enrolled college students.[35] Movement in this direction was an indication that the federal government, on at least a minimal level, was interested in

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33. U.S., Library of Congress, Legislative Reference Service, Federal Educational Activities and Issues Before Congress, by Charles A. Quattlebaum (Washington, D.C.: Government Printing Office, 1952), p. 54.

34. Ibid.

35. Douglas M. Knight, ed., The Federal Government and Higher Education (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1960), p. 38.

long-range commitments. For many students, NROTC would mean a "full-ride," a federally subsidized scholarship. The implication of such a program was clear--the federal government was willing to provide monies when educated manpower was needed for the national defense.

With the vast influx of veterans in 1946 and 1947, colleges and universities were overburdened; their facilities and resources were unable to cope with such large numbers. As Frank Pace, Jr. remarked in The Journal of Higher Education (1950): ". . . the demand for education far exceeds the supply."[36] The Veterans Educational Facilities Program (VEFP) was intended to alleviate the effect of large numbers of new enrollees. The VEFP authorized the Commissioner of Education to determine whether or not an institution was in acute need of facilities as a result of veteran enrollment. If it was so determined, facilities and equipment, either free or at minimal cost, were turned over to colleges and universities. The 1949 Federal Property and Administrative Services Act formalized the "no-payment" aspect of previous legislation and in fact, stipulated that the beneficiaries were to be educational institutions.

Throughout the history of the United States, vocationalism and the work ethnic have been widely esteemed values. The 1890 Morrill Act was specifically geared to the "industries of life." In the years following World War II, large amounts of money were flowing into vocational education via veterans' programs. Vocationalism continued to be a target of federal interest when, in 1946, the George-Barden Act was instituted. The George-Barden Act added new services in vocational education for "less than college" level students. The full George-Barden Act appropriation of 29 million dollars was not authorized for another decade due to the large financial commitment going into the vocational veterans programs.[37] This act signified the continued importance of vocational education and furthered the principle of matching funds.

During the post-war years two prominent commissions were charged with the investigation of social problems; the President's Commission on Higher Education (Zook Commission, 1946) dealt strictly with higher education whereas the Hoover Commission Task Force on Public Welfare (1947) had only a section devoted to the entire field of education. The recommendations of these Commissions continue to have significance for the recommendations are similar to the admonitions being made by study groups today.

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36. Frank Pace, Jr., "The Federal Government and Education," The Journal of Higher Education, 21(January 1950):1.

37. U.S., Library of Congress, Legislative Reference Service, Federal Educational Policies, Programs, and Proposals, A Survey and Handbook; Part I, Background; Issues; Relevant Considerations, by Charles A. Quattlebaum (Washington, D.C.: Government Printing Office, 1960), pp. 21-22.

The President's Commission on Higher Education, formed at the behest of President Truman, was chaired by George F. Zook, then President of the American Council on Education. There were three major recommendations of the Zook Commission: (1) to increase the enrollment to 4,600,000 students in higher education by 1960; (2) to expand the number of two-year community colleges; and (3) to reach "equalization of educational opportunity at all levels of higher education."[38] The manner in which the above goals were to have been accomplished was through undergraduate scholarships in the form of grants-in-aid to the states, grants to states to help subsidize publicly-controlled colleges and universities, and matching grants to the states for capital outlays.[39] The state governments were to be the vehicle for reaching the above goals and only public, higher educational institutions and their students could have benefited from the proposed federal programs. The focus on public institutions was a deliberate snub of the private sector. The Zook Commission's failure to include the major private universities and liberal arts colleges of the Northeast may have accounted for its pro-public bias. Richard G. Axt, author of The Federal Government and Financing Higher Education has said the following:

> Public and private higher education were about equally represented, but there was no representation from the major private universities in the Northeast, and two women's colleges were the only representation of liberal arts colleges in the East.[40]

There were other prominent educators who were also concerned with the growing federal involvement in higher education. R. H. Eckelberry, writing in The Journal of Higher Education in 1945, suggested that federal aid go to institutions of higher education by means of "stand-by and other service contracts" rather than through the state governments. The Zook Commission ignored Eckelberry's proposition.[41] Seymour Harris, a distinguished Harvard economist, criticized the Zook Commission's projections of an eighty percent enrollment in the public sector by 1960.[42] (In 1975 there is approximately seventy-five percent enrollment in the public sector.) James Russell, in his work Federal Activities In Higher Education After World War II, determined that there were two main means of federal funding in 1947. The patterns

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38. Richard G. Axt, The Federal Government and Financing Higher Education (New York: Columbia University Press, 1952), pp. 190-193.

39. Ibid., p. 194.

40. Ibid., p. 189.

41. R. H. Eckelberry, "Editorial Comments," The Journal of Higher Education, 16 (May 1945): 268-270.

42. Seymour E. Harris, "The Future of Higher Education in the United States," The Harvard Educational Review, 18 (Fall 1948): 183-208.

of funding were: (1) large-scale expenditures, and (2) emphasis on individual aid.[43] Russell calculated that federal funds provided fifty percent of all income to colleges and universities, at that time, one-third via tuition and other charges, and the remainder through research.[44]

James Russell's recommendations of direct, federal subsidies to institutions was in contrast to the ideas of Ernest Hollis, who emphasized aid to individuals rather than institutions. Writing in School and Society (1949), Dr. Hollis said the following: "Helping qualified individuals indirectly aids the college and at the same time avoids the questionable policy of granting tax funds to private colleges."[45] Hollis recognized that without adequate financial aid, only the economically advantaged could enroll in private colleges. He was supportive of the Zook Commission's recommendation encouraging equalization of educational opportunity. The controversy surrounding the methods of federal aid to higher education, whether directly to institutions or to students, remains an unsolved problem which is especially timely today.

The Second Hoover Commission (1947) was charged with the reorganization of the executive branch of the federal government. Education was included in the category of Public Welfare. The Hoover Commission rejected the advice of their advisory task force; the latter recommended a "Federal Education Agency, . . . free of departmental affiliation," whereas the Commission wanted an Educational Service under a broader rubric, such as Welfare.[46] The Public Welfare Task Force on Education recognized an inherent need for extension services other than agricultural, saw the need especially in industrial and urban areas. With the exception of Federal City College, the Task Force's recommendation has not been implemented. In spite of President Truman's apparent concern for higher education as exemplified by his charging two advisory Commissions, only minimal legislation dealing with higher education was introduced during his tenure in office.

However, there was legislation enacted during the Truman Administration that was to have subsequent consequences for higher education. One such act, not often associated with the federal financing of higher education,

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43. James E. Russell, Federal Activities in Higher Education After the Second World War (New York: King's Crown Press, 1951), p. 9.

44. Ibid., p. 13.

45. Ernest V. Hollis, "Federal Aid for Higher Education," School and Society, 69 (January 1949): 20.

46. Homer D. Babbidge, Jr. and Robert M. Rosenzweig, The Federal Interest in Higher Education (New York: McGraw-Hill Book Co., Inc., 1968), pp. 78-79.

was the LaFollette-Monroney Act (1946). This Act provided for the reorganization of Congressional committees but did not include a committee specifically mandated to deal with education. Today, in spite of the increased funding, there exists no single committee that deals solely with education.

The College Housing Loan Act (1950) was a landmark piece of legislation for higher education in that it provided money to both public and private (non-profit) institutions. Loans were limited to capital outlays for revenue-producing facilities, such as dormitories and student unions, and for the renovation of such buildings. The loans, often at a rate two percent below those of commercial banks, were administered by the Office of Housing and Home Finance, not the Office of Education. The funding for the Act was delayed until after the Korean War.

President Truman, as did his predecessor, furthered the federal policy of buying scientific research services from the academic community. The establishment of the Atomic Energy Commission (1946) further moved the federal government into the area of awarding graduate fellowships. The National Science Foundation Act (1950) grew out of the AEC's concern for a single coordinating agency that would oversee the financing of basic research in the sciences. The National Science Foundation provided graduate fellowships and scholarships and improved science education. By the time of the establishment of the NSF, the influence of federal support was so pervasive that ninety percent of natural science research in the United States was being funded by the federal government. The Atomic Energy Commission and the National Science Foundation, along with the Public Health Service and the Department of Defense, provided the bulk of grants and fellowships for the next fifteen years. The allotment of funds was limited to a few select institutions. It is common knowledge that there has been a high concentration of research funds in only a few institutions. Since the federal government was providing the funds on a contractual basis, it was influencing the financial health of colleges and universities. The legislation of this period became the focus of much federal activity which culminated with the peaking of federal involvement in scientific education and research in the late sixties.

V. THE UPWARD RACE

The Korean War veterans were not afforded educational benefits equal to their predecessors of the Second World War, since the reformed G.I. Bill (1952) did not provide for cost-of-education grants. The percentage of veterans participating in higher education during the 1950's was less than the percentage of W.W.II veterans who took advantage of the first federal G.I. Bill. However, total enrollments continued to remain at post-World War II figures, and colleges and universities expanded their physical plants by taking advantage of college housing loans to finance dormitories and student unions.

The Eisenhower Administration influenced by the Second Hoover Commission Report's* recommendation that college housing loans be terminated, opposed broadening the College Housing Loan Program, enacted in 1953, to include the construction and renovation of academic facilities. The Eisenhower Administration tried, unsuccessfully, "to substitute a program that would have provided federal guarantee and partial repayment of bond sales by colleges and universities" for the College Housing Loan Program.[47]

Funds for academic facilities, not provided for by the College Housing Loan Act, eventually came from other legislation; in 1956, the Health Research Facilities Act authorized ninety million dollars for grants to non-profit institutions for the construction and expansion of laboratories and research facilities in the health sciences. A federal program to assist in the construction and renovation of general purpose classrooms was not available until the passage of the Higher Education Facilities Act (1963).

The construction and renovation of higher educational facilities were not the major concerns of the Eisenhower Administration. The Committee on Education Beyond the High School (1956) formed at the request of President Eisenhower, and chaired by Devereaux C. Josephs, chairman of the Board of the New York Life Insurance Company, was charged with a broader investigation of the federal role in higher education. The Josephs Committee recommended a permanent "machinery . . . with provision for broadly representative lay and professional advisors, to keep under continuous scrutiny all Federal programs affecting education beyond the high school and to advise the President and the heads of appropriate Federal agencies with respect thereto . . ."[48]

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*Note: This Commission was formed in 1947, but its report was not released until 1953.

47. Ronald A. Wolk, Alternative Methods of Federal Funding for Higher Education (Berkeley: McGraw-Hill Book Co., Inc., 1968), p. 16.

48. Homer D. Babbidge, Jr. and Robert M. Rosenzweig, The Federal Interest In Higher Education (New York: McGraw-Hill Book Co., Inc., 1962), p. 81. Quote taken from The President's Committee on Education Beyond the High School, Second Report to the President (Washington, D.C., 1957), p. 25.

As a result of the above recommendation, Congress gave the power to the Secretary of the Department of Health, Education, and Welfare to appoint a National Advisory Committee on Education. A National Advisory Committee was never established because the authority of the Commissioner of Education might have been compromised.

The Josephs Committee also recommended student aid for only twenty-five to fifty thousand students in the experimental work-study program.[49] Eisenhower's Commission considered a massive student aid program to be unwarranted, but indicated that should one become necessary in the future, the federal government should provide a cost-of-education allowance to the institutions as well as stipends to the students.[50]

Even though President Eisenhower in an address to the nation in April, 1957, said, "Our schools are more important than our Nike batteries, more necessary than our radar warning nets and more powerful even than the energy of the atom,"[51] was not marked by a strong support program for higher education. The education benefits for Korean War veterans were significantly less than those for World War II veterans, and the Administration opposed the College Housing Loan Act as well.

The launching of the first satellite by the Soviet Union in October of 1957 stimulated much Congressional and Executive action in the scientific and educational arenas. From 1957 to 1959, approximately 1,500 bills affecting education were introduced in Congress. Eighty of these bills became laws.[52]

The most significant of the new bills was the National Defense Education Act of 1958 in which the improvement of education became a national goal. The importance of the Act was exemplified by the following quotation from Title I. "The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available."[53]

One important provision of the NDEA made available low-cost federal loans to students from all disciplines with the aim that "no student of ability . . . be denied an opportunity for higher education because of financial need."

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49. Wolk, Alternative Methods, p. 23.

50. Ibid.

51. Douglas M. Knight, ed., The Federal Government and Higher Education (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1960), p. 30.

52. Ibid., p. 31.

53. Babbidge and Rosenzweig, The Federal Interest, p. 50.

The titles of the National Defense Education Act introduced several elements which were departures from traditional governmental policy. A separate department or commission was not established for the implementation of the NDEA: heretofore, a new act often meant a new bureaucratic structure. The NDEA came under the auspices of the already established U.S. Office of Education. Student loans for undergraduates and the fellowship programs for graduates were available to college students in all fields, although the curricula of sciences, engineering, modern foreign languages, and education were emphasized. Students who became elementary or secondary public school teachers were given up to fifty percent "forgiveness" in paying back their National Defense Student Loans. Authority for making and collecting the loans rested with the participating higher educational institutions. The Act encouraged all qualified students regardless of their financial circumstances, to seek higher education, and legitimized borrowing as a major source of financing college educations.

The National Defense Education Act graduate fellowships were awarded to students attending universities (with the most developed graduate facilities) without regard for the geographic location of the institutions. As a result, the "quality" gap between the well-established institutions and the lesser-known schools became more pronounced. In 1959, it was estimated that sixty percent of all National Science Foundation graduate fellowships were awarded to students attending five institutions: Harvard, the Massachusetts Institute of Technology, Princeton, the University of California, and California Institute of Technology. The first three institutions were in the Northeast and the last two were on the West Coast.[54]

During the early 1960's, the amount of funding for federal programs increased, resulting in greater participation by institutions other than the aforementioned. In 1963, more than 2,100 institutions of higher education received some form of federal aid. However, ninety percent of all federal research monies were spent for programs at 100 universities: 55 public, 38 private nondenominational, 4 Catholic, 1 Methodist, 1 Baptist, and 1 Jewish.[55] Aid to higher education has traditionally been provided by the federal government to both public and private institutions without regard to corporate status or religious affiliation. Those institutions with the strongest graduate programs have received the largest appropriations from the research monies, regardless of their control.

Edith Green, former chairperson of the special subcommittee of the House Committee on Education and Labor dealing with higher education, developed impressive bipartisan support for the view that "distinctions on religious grounds should not be made among institutions, but rather among the activities of each institution."[56]

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54. Ibid., p. 54.

55. U.S., Congress, House, Committee on Education and Labor, The Federal Government and Education. 88th Cong., 1st sess., 1963, p. 140.

56. Babbidge and Rosenzweig, The Federal Interest, p. 148.

One of the requirements for receiving a National Defense Student Loan specified that students sign an affidavit stating that they had not supported, nor were members of certain organizations, not enumerated, that could be considered subversive. Loan recipients were also required to attest to an oath of allegiance to the U.S. Constitution. The affirmative oath of allegiance to the Constitution and the negative disclaimer affidavit caused much consternation in the higher education community, resulting in the refusal of certain liberal arts colleges to participate in the loan program. The research grants of the fifties required maximum secrecy and a similar oath of allegiance from the recipients.

In 1959, a group of senators, led by John F. Kennedy, attempted to strike the above restrictions from the National Defense Education Act. However, it was not until 1961, when it became a crime for any member of the Communist Party to apply for NDEA benefits, that the disclaimer affidavit was dropped.

Prior to 1958, the two Congressional committees concerned with education, the House Committee on Education and Labor, and the Senate Committee on Labor and Public Welfare, had little to do with higher education. Over forty federal agencies channeled funds into higher education, but about ninety-five percent of the support came from the following eight agencies: Department of Health, Education and Welfare, National Science Foundation, Department of Defense, Department of Agriculture, Atomic Energy Commission, National Aeronautics and Space Administration, Department of the Interior, and Department of Commerce. Concerned over the proliferation of federal agencies affecting higher education, Rep. Edith Green has stated the following:

> The diffusion of responsibility for educational programs in the Congress makes it difficult for any one committee, subcommittee, or individual member to ascertain the overall achievements of the Government's existing educational programs or the overall effects of proposals for change in them.[57]

The overhead costs for the administration of federal programs were not sufficiently reimbursed by the government to the universities involved. These institutions were forced to pick up the costs of part of federally-sponsored research. Concern over the "overhead" problem prompted the Bureau of the Budget to revise its famous Blue Book in 1958.

The Blue Book was an agreement established in 1947 between the federal government and institutions of higher education undertaking research with respect to overhead costs. The essence of the agreement specified that the university conducting the federally-sponsored research was responsible for sustaining part of the cost of administering the program if the research were of the kind that the institution might be expected to undertake

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57. Ibid., p. 6

as a part of its own educational program. The federal government usually reimbursed the universities involved for fifteen percent of the overhead cost.

The Blue Book revisions gave the universities specific guidelines to follow in determining the costs applicable to both the federal government and the institution hosting the research project. It was the reluctance of the federal government to "foot the bill" for the entire cost of the research project which caused the most vocal and written criticisms of federally-sponsored research by the institutions involved.

Another serious problem caused by the federal research grants related to faculty and personnel needs of the universities. Many of the research grants were short term, yet required the expertise of a learned scholar. Few permanent faculty were willing to devote their time to a project that could abruptly end when the funding ceased. Thus, lower-ranked faculty members and graduate students were relegated to work on the research grants, their job security being dependent upon the continuance of the grants. At some universities the short-term grants became a very threatening problem as their combined revenues could often equal one-half of the regular operating expenses of the university.[58] Federal support of research in colleges and universities grew from approximately 74 million dollars in 1940 to an approximate 7.5 billion dollars in 1960, a hundred fold increase![59]

The 1950's and early 1960's marked the beginning of an unprecedented growth in higher education. There was a severe shortage of teachers, and the federal and state governments urged the establishment of teachers' colleges to deal with the manpower shortage. The federal government also gave grants to the states in 1956, and 1957, to encourage state coordinating and planning agencies for higher education.

Public institutions began to gain respectability during this era, and their growth was well beyond that of the private sector. Private universities were receiving an increasingly significant percentage of their total income from public sources, mostly federal. In 1955 expenditures of colleges and universities were about one percent of the gross national product; in 1969, they were approximately 2.4 percent. The rate of growth in resources for higher education had been more than twice as fast as the growth rate of the national economy.[60] Two reasons for this unprecedented growth were that a higher percentage of high school graduates were going to college, and that thousands of these new students were financing their education from federally-supported, low-interest loans.

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58. M. M. Chambers, Higher Education: Who Pays? Who Gains? (Danville, Illinois: The Interstate Printers, 1968), p. 239.

59. Knight, The Federal Government, p. 78.

60. Robert H. Connery, ed., The Corporation and The Campus (New York: Praeger Publishers, 1970), pp. 75-76.

The Fulbright-Hays Act (1962) and the Agency for International Development also contributed to the expansion of educational programs during this period. Under the Fulbright-Hays Act, the Department of State was specifically drawn into the realm of higher education. The Department administered several international education programs designed to foster mutual understanding between U.S. citizens and those of other nations. The State Department was concerned with academic excellence (both in the United States and abroad), but the Agency for International Development was more concerned with the development of skilled manpower for less industrialized countries. The Agency for International Development utilized the services of seventy institutions, but one-half of the support went to twelve of them.

All of the programs, legislation and events mentioned in this chapter resulted in a significant increase in the federal role in higher education. The fragmentation of jurisdiction within the federal government contributed to clouding the issues, thus setting the stage for further federal involvement in the ensuing years.

The chart on the following page summarizes the major points of federal involvement in higher education in 1963.

TABLE 1. Summary of the Points of Contracts Between the Federal Government and the Educational System, 1963*

Departments and Agencies	Faculty Support	Student Support	Curriculum Support	Miscellaneous Programs	Facilities and Equipment	Research	Government Schools	International Programs
National Science Foundation	X	X	X	X	X	X		X
National Institutes of Health	X	X		X	X	X	X	X
Office of Education	X	X	X	X	X	X		X
Defense		X		X	X	X	X	X
Public Health Service		X	X	X		X		
Atomic Energy Commission	X	X			X	X		X
Agriculture				X		X	X	
National Aeronautics and Space Administration		X			X	X		X
Commerce		X		X	X	X	X	
Office of Vocational Rehabilitation		X		X		X	(1)	
Health, Education, and Welfare				X	X			

Continued

TABLE 1. Summary of the Points of Contracts Between the Federal Government and the Educational System, 1963* (continued)

Departments and Agencies	Faculty Support	Student Support	Curriculum Support	Miscellaneous Programs	Facilities and Equipment	Research	Government Schools	International Programs
Interior		X		X		X	X	
State						X		X
Veterans' Administration		X		X			X	
Treasury						X		
Justice				X				
Housing and Home Finance Agency					X			

* Taken from the U.S. Congress House Committee on Education and Labor, The Federal Government and Education, presented by Mrs. Edith Green of Oregon. House Document No. 159, 1963, p. 15.

(1) Howard University and Gallaudet College.

VI. THE PEAKING OF INVOLVEMENT

The election of John F. Kennedy as President in 1960 was, to many, the beginning of a new era in Washington. Publicly committed to social change, President Kennedy realized the importance of federal support for higher education, In January 1961, he sent a message to Congress indicating the need for greater federal involvement at all educational levels.[61] As is now known, the 87th Congress did not share his enthusiasm for education. President Kennedy's proposal, along with many others that he subsequently sent to the Hill, was never translated into legislation.

The National Education Improvement Act, proposed by President Kennedy in 1963, would have affected higher education in two of its seven titles. Title I would have expanded the opportunities for individuals in higher education by extending the National Defense Education Act, liberalizing the NDEA payment plan, and raising its ceiling on appropriations. The construction of community junior colleges, aid to technical education on the college level and the providing of loans to public and private nonprofit institutions for the construction of academic facilities were all provisions subsumed in Title II. The bill, which would have authorized a total of 5.7 million dollars over a five-year span (a mere pittance by today's standards), never went beyond the conservative House Rules Committee.

The Kennedy proposals were later incorporated into legislation signed by President Lyndon B. Johnson. The Vocational Education Act (1963) and the Higher Education Facilities Act (1963) were of great importance to higher education. The former was the first major bill pertaining to vocational education since the second decade of this century, when Senator Smith was extremely interested in this area. Sidney Tiedt, in The Role of the Federal Government in Education, wrote that the "effect of the Vocational Education Act will be a quadrupling of aid in this area by 1967 . . ."[62] The intent of the Vocational Education Act was to raise vocational and technical education to a parity (in the minds of legislators) with traditional liberal arts schooling.

The Higher Education Facilities Act of 1963 was the other major piece of legislation emanating from the Kennedy administration. Signed into law by President Johnson in December of 1963, this act, provided both grants and loans to institutions of higher education for the construction of

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61. Sidney W. Tiedt, The Role of the Federal Government in Education (New York: Oxford University Press, 1966), pp. 145-147.

62. Ibid., p. 154.

academic and library facilities. The Act did not exorcise religious institutions and provided up to three billion dollars in total aid.

With the signing of the Higher Education Act (1965), Lyndon Johnson assured himself of the title of "Education President," for the totality of the act was to affect all of the higher education community. Presidents Roosevelt, Truman, Eisenhower and Kennedy commissioned task forces, but it was President Johnson who utilized the recommendations of such bodies. The task force, headed by John W. Gardner, provided the basic tenets for the 1965 Act.

The Gardner Task Force (1964) supported more federal aid to students by recommending scholarships for highly competent students from low-income families, an expansion of work study programs, and a federally-guaranteed student loan program.[63] A federal program to give aid to "developing and lesser-known" institutions was also emphasized by the Gardner Task Force. A negative stance on the issue of tax credits for the parents of college students was taken by the Gardner Task Force, in concurrence with a major portion of higher education leaders. Encompassing not only the Gardner Task Force recommendations, the Higher Education Act was concerned with the allocation of funds to institutions of higher education and to their students.

Title I addressed itself to community service and continuing education programs. This title was, in effect, an extension of land grant type of services to urban-oriented problems. It addressed itself to technological, social, and environmental problems on both a regional and national level and encouraged the states to participate in the ventures.

Library resources, as defined by both materials and personnel, were the thrust of Title II. For the first time, library resources, as a separate entity, were considered of major educational importance as exemplified by the vast authorization of funds for Title II.

The survival of diverse institutions was the subject of Title III which provided for aid to developing institutions. Many of these unique institutions had not previously been affected by federal funds. One quarter of the allocated funds were required to go to institutions not awarding the bachelor's degree.

Perhaps the most important section of the Higher Education Act dealt with student assistance. Provisions for basic educational opportunity grants, supplemental opportunity grants, payments to the states to assist in making additional funds available, guaranteed student loans, college work study, cooperative education, and a student loan marketing association were all included under the rubric of Title IV.

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63. Philip Semas, "Release of Lyndon Johnson's Education Papers Brings Long-Secret Task Force Reports to Light," The Chronicle of Higher Education, 6 (February 7, 1972):1.

The improvement of educational instruction was the focus of both Titles V and VI. The former was conceived as a means to attract new personnel into elementary and secondary public school teaching, whereas, the later title dealt with undergraduate instruction.

The construction of academic facilities and the sharing of them through consortia were the objectives of Titles VII and VIII respectively. The above were concerned with undergraduate and graduate facilities, whereas Title IX dealt strictly with graduate fellowships and general assistance grants to institutions for graduate student aid.

The reorganization of a bureau in the U.S. Office of Education for vocational education, the recognition of educational paraprofessionals as valuable personnel, and the expansion and improvement of postsecondary education in community colleges were all encompassed in Title X. Title XI dealt with clinical law experiences and Title XII with state planning. The Titles of the titles of the Higher Education Act can be found in their entirety in the public law statutes.[64]

Almost a year later, the Higher Education Amendments of 1966 authorized an extension of three additional years for the Facilities Act of 1963. The National Sea Grant Program and College Act and the International Education Act were also instituted in 1966. According to Charles Quattlebaum, the National Sea Grant Program was analagous to the 1862 Morrill Act in that it provided for the establishment of sea-grant colleges and programs of education, training and research in the fields of marine science, engineering, etc.[65] Senator Wayne Morse decried the fact that no funds were appropriated by the Congress, especially in the light of the vast expenditures being spent on the Vietnam War.[66]

The International Education Act which was meant to utilize American resources for the advancement of international studies and research, also went unfunded. Under this legislation, the Secretary of HEW was empowered to make grants to establish graduate centers and to aid individual students.[67] Thus the dual manner of funding, to institutions and individuals, was continued.

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64. U.S., Library of Congress, Congressional Reference Service, Analysis of the Higher Education Act of 1965, As Amended Including Amendments Made By The Education Amendments of 1972, by Stafford Smiley (Washington, D.C.: Government Printing Office, 1972), all.

65. Charles A. Quattlebaum, "Enactments of the 89th Congress Relevant to Higher Education," The Educational Record 49 (Summer 1967):289.

66. News item in The Chronicle of Higher Education, January 13, 1967.

67. Quattlebuam, "Enactments," p. 288.

The 90th Congress, with Edith Green and Wayne Morse as respective leaders in their houses, was to have difficulty on reaching agreement on higher education matters. Although they were both Democrats, there was a substantial difference in their respective outlooks on higher education. Rep. Green felt the country needed time to digest the Higher Education Act of 1965, whereas, Sen. Morse felt the need to press on with additional amendments. This problem was not endemic to that particular Congress; the leaders of the Senate and House often disagree.

As the Vietnam War widened and President Johnson became more immersed in the conflict, the problems for higher education increased. The difference between general aid to higher educational institutions and aid for specific services was widening.[68] More specific projects were being funded with less monies going toward general expansion and growth.

The recommendations of the Friday Task Force (1967) were an example of fiscal retrenchment. Whereas President Johnson had received Mr. Gardner's report with enthusiasm (witness the 1965 Act), the Friday Report, with its far-reaching proposals, went ignored. The Task Force had recommended that "the federal government provide basic aid for the operating costs of all accredited colleges and universities."[69] The cost of this aid would have been prohibitive especially with the priority given high military expenditures at that time. The Friday Task Force also recommended the following: an increase in the federal share of constructing academic facilities, the creation of a national foundation for the social sciences, and an increase in graduate aid.

The Amendments to the Housing and Urban Development Act (1968) provided for interest subsidies for college housing loans to pay the difference between three percent and the rate of borrowing from private lenders. The concept of interest subsidies was subsequently to be controversial in the area of student assistance, especially in the subsidized student loan program. Congressmen argued that interest subsidies, over the long run, would be more expensive than direct loans.

In spite of the vast and important legislation passed during the Johnson Administration, the American commitment in the Vietnam War hampered the funding of such acts at their authorized levels. The war also acted as a stimulus for major student demonstrations which protested American involvement in the war, the use of American graduate centers for war research, and the general unresponsiveness of higher education to the changing social environment.

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68. David D. Henry, "The Federal Government and Higher Education: Two Focal Points for 1966," The Journal of Higher Education 37 (April 1966): 190.

69. Semas, "Release," p. 2.

Such domestic turmoil on college campuses caused all branches of the federal government to review their fiscal priorities for higher education. The prestige which higher education had enjoyed over the years from 1945 to 1968 began to wane.

VII. FROM INSTITUTION TO INDIVIDUAL

The reordering of fiscal priorities, necessitated by the changing economic, domestic, and international situations, was a primary activity of the branches of government during the first Nixon Administration. Campus demonstrations (sometimes violent), protesting the war in Vietnam and federal war-related contracts with universities, caused members of both major political parties to re-examine federal involvement in higher education during these years. Agreement over the future forms of federal aid to higher education was not accomplished between the Houses of Congress nor leaders of the respective parties. The House subcommittee dealing with higher education, chaired by Edith Green (Dem. - Oregon) recommended that direct institutional grants to colleges and universities be given on the basis of full-time equivalent students and credit-hour enrollments.[70] Rep. Green's counterpart in the Senate, Claiborne Pell (Dem. - Rhode Island), introduced the Basic Educational Opportunity Grant (BEOG) Program, which hoped to channel funds to students rather than institutions. Senator Pell was quoted as follows. "Our position was that institutions should be aided by receiving the grants of individual students, thus satisfying the constitutional questions."[71] Rep. Green, opposed the BEOG system, favored an increased amount in the student assistance area for Direct Student Loans, Supplemental Opportunity Grants, and College Work Study.

The Nixon Administration, which endorsed a phasing out of the established student assistance programs favored by Mrs. Green, developed its own institutional aid plan to appease Mrs. Green. ". . . under pressure from Rep. E. Green (D.-Ore.), Chairman House of Representatives, Special Subcommittee on Education, the Administration came up with its idea for general purpose grants based on Federal student-aid allocations."[72] The Administration plan, proposed by Albert Quie (R. - Minnesota) in the House and Claiborne Pell in the Senate, would have granted each college up to ten percent of the funds the institutions received in federal student aid money. Sen. Pell defended his approach to the funding as follows:

> The higher education community made it clear that it preferred institutional aid which followed a simple formula approach. It sought per capita grants to institutions, dependent on the class

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70. News item in The Chronicle of Higher Education, April 19, 1971.

71. Claiborne Pell, "A New Precedent in Federal Aid," Change 7 (November 1971): 7.

72. Cheryl M. Fields, "Administration Maps Institutional Aid Plan," The Chronicle of Higher Education 5 (May 31, 1971): 2.

> level of each student enrolled. Our view in the Senate was that per capita grants was not the best answer. And it appeared to us that across-the-board per capita aid to institutions, which they could use as they saw fit could generate constitutional problems.[73]

Although the "higher education community" generally supported Mrs. Green's bill over the one proferred by Sen. Pell, Rep. Green's position was not without criticism. The Carnegie Commission, in referring to the Green proposal, stated: "In the long run, such grants could lead to reduced state support of higher education and the development of a 'nationalized system' with government controls."[74] Elliot Richardson, then Secretary of Health, Education and Welfare, likewise opposed the Green bill stating: "Any general aid formula is much too blunt an instrument for dealing with acute problems of particular institutions."[75]

As a result of the failure to reach a consensus on the method of financially aiding higher education, a compromise was reached which resulted in the Education Amendments of 1972. The provisions of this Act included Sen. Pell's institutional aid package, his BEOG program, as well as the continuation of former student assistance programs, supported by Rep. Green. In addition, this omnibus piece of legislation had far-reaching significance for higher education, as provisions for affirmative action and "1202 Commissions," among others, were introduced as new foci of federal involvement. Complete implementation of the 1972 Amendments would have cost the Federal Treasury nineteen billion dollars.[76]

Perhaps the greatest amount of controversy generated by the Education Amendments of 1972 centered around the amount of funding of the BEOG program. An attempt was made by the Administration to phase out all other student assistance programs in favor of funding only the BEOG. Theoretically, the BEOG provided up to fifty percent of the cost-of-education or $1400, whichever was less, for each eligible student. (In actuality, however, the average BEOG awarded in fiscal 1974 was $260.) In order to qualify for a BEOG, a student had to come from a low-income family, as defined by assets of less than $7,500, regardless of the geographic location of the family. Under the BEOG, a student was required to supply the

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73. Pell, "A New Precedent," p. 7.

74. Robert L. Jacobson, "Rep. E. Green Gives up Post on Education Panel," The Chronicle of Higher Education 7 (January 22, 1973): 3.

75. Cheryl M. Fields, "How to Dispense Institutional Aid Provokes A Major Debate in Congress," The Chronicle of Higher Education 5 (June 15, 1971): 2.

76. Cheryl M. Fields, "House Subcommittee Head Gives Top Priority to Student Aid," The Chronicle of Higher Education 8 (January 28, 1974): 7.

remaining fifty percent (or more) by taking out loans or working part-time. The elimination of subsidized, guaranteed, and direct student loan programs (all of which the Administration hoped to phase out) would have adversely affected middle-income students, as well as BEOG recipients who intended to borrow the remaining funds not provided by their grant.

To insure financial aid to middle-income students, the stipulations of the Education Amendments of 1972 required that the "older" student assistance programs had to be funded first, before authorizations for the BEOG program could be considered. The Nixon Administration requested 1.3 billion dollars for the BEOG program in fiscal 1975, but failed to request any funds for either Direct Student Loans or Supplemental Opportunity Grants, in defiance of the language of the Amendments.

President Nixon's budget requests for higher education were both supported and criticized by Congressional leaders. Rep. Quie (ranking minority member of the Special Subcommittee on Education) in April of 1973, asked Congress to delete the conditions from the Education Amendments that required existing student aid programs to be funded by the BEOG's.[77] This deletion would have enabled the Administration to fully implement the BEOG program and phase out the "older" student assistance programs.

On the other side of the aisle, Rep. James O'Hara (Dem. - Michigan) charged Mr. Nixon with failure to comply with the law by not requesting funds for the "older" student aid programs. Rep. O'Hara was concerned over the availability of low-cost loans for middle-income students which had been basically provided from the previous legislation.

President Nixon also decided not to request funds for fiscal 1974 in the following areas: area studies, university-community studies, veterans cost-of-education benefits, college library resources, and aid to land grant colleges. In addition, Mr. Nixon vetoed HEW appropriations three times, causing HEW to be funded by continuing resolutions for all of fiscal 1973 and one-half of fiscal 1974. In order to persuade President Nixon to sign the fiscal 1974 appropriations for HEW, the Senate-House Conference Committee was forced to capitulate on budget cuts, although Congress did prevail in three provisions: no single program could be cut more than five percent; no cuts could be made in the College Work-Study Program; and no cuts could be made in the Direct Student Loan Program. In order to deal with a spiraling inflation, Mr. Nixon's policy in regard to the funding of higher education was to "hold the line." Thus, if student assistance were to be increased through the BEOG program, then categorical and institutional aid programs had to be decreased proportionately.

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77. News item in The Chronicle of Higher Education, April 16, 1973.

Although the Education Amendments of 1972 authorized appropriations for veterans' cost-of-instruction, President Nixon considered the Congressional proposals for veterans' benefits to be inflationary (thirteen percent) and therefore, he requested no funds for the program in fiscal 1974 or 1975. Minority group members, who served in disproportionate numbers in Vietnam, would have especially benefitted from the funding of the above program, as would have the institutions the veterans attended. Veterans, who have attended two-year colleges in large numbers, also would have profited from the legislated expansion of community colleges as provided for in the 1972 Amendments. However, the 1974 Administration budget omitted requests for funds for the new community college program, the institutional aid program, and the vocational/occupational education programs, which were authorized by the Education Amendments of 1972.

The programs and expenditures discussed in this chapter are included in Table 2, which is a compendium of the various requests and allocations for higher educational programs. This table underscores the apparent conflicts between the Congressional and Executive branches of government concerning higher education appropriations.

TABLE 2. Appropriations and Expenditures*
(add 000 to all figures)

Program	Authorized for Fiscal 1973 by Higher Education Amendments of 1972	Actual Spent 1973	Authorized for Fiscal 1974 by Higher Education Amendments of 1972	Administration request for Fiscal 1974	Actual Expenditure for Fiscal 1974	Authorized for Fiscal 1975 by Higher Education Amendments of 1972	Administration request for Fiscal 1975	Fiscal 1975 Estimated	Fiscal 1976 Request (Administration)	Fiscal 1975 Recissions, Referrals Requested
"BOG"	200,000	122,000	200,000	959,000	475,000	200,000	1,300,000	660,000	1,050,000	
College Work Study	360,000	274,298	390,000	250,000	270,200	420,000	250,000	300,200	250,000	
Direct Student Loans	400,000	568,195	400,000	5,000	286,000	400,000	6,440	321,000	-0-	
Interest on Insured Loans	As necessary	245,000	As necessary	310,000	310,000	As necessary	315,000	315,000	452,000	
Student Loans (Default)	1,000 plus further $	46,640	1,000 plus further $	57,883	88,668	1,000 plus further $	115,000	115,000	201,787	
Supplemental Opportunity	200,000	210,876	200,000	-0-	210,300	200,000	-0-	240,300	-0-	
Cooperative Education	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	8,000	
Disadvantage Program	100,000	72,327	100,000	67,331	70,331	100,000	70,331	70,331	70,331	
Developing Institutions	120,000	87,492	120,000	99,992	99,992	120,000	120,000	110,000	110,000	
Construction Loan Subsidiary	52,250	29,284	65,750	31,425	31,425	65,750	22,252	-0-	-0-	

Language and Area Studies	-0-	13,860	-0-	1,360	12,693	-0-	10,000	14,000	10,000	-4,000
1202	As necessary	3,000	As necessary	3,000	3,000	As necessary	-0-	3,000	-0-	-3,000
University-Community Service	30,000	14,922	40,000	-0-	14,250	50,000	-0-	14,250	-0-	-13,350
Land Grant	-0-	10,000	-0-	-0-	9,500	-0-	-0-	9,500	-0-	-9,500
Veteran Cost of Instruction	Entitle	25,000	Entitle	-0-	23,750	Entitle	-0-	23,750	-0-	-23,750
College Person Development-Teaching Fellow	Only to 1970	20,000	-0-	5,806	5,806	-0-	4,000	4,000	1,000	
Disadvantaged (Fellowships)	Only to 1970	-0-	-0-	/750,000/	/750,000/[1]	-0-	/750,000/	750,000	750,000	
Education Professions Development*										
Teacher Corps@	200,000*	37,500@	300,000*	37,500@	37,500@	450,000*	37,500@	37,500	37,500	
Undergraduate Instructional Equipment	60,000	12,500	60,000	-0-	11,875	60,000	-0-	7,500	-0-	-7,500
College Library Resources	75,000	12,405	85,000	-0-	9,975	100,000	-0-	9,975	-0-	-9,975
National Institute Education	-0-	106,845	-0-	162,197	75,700	-0-	130,000	70,000	80,000	

[a] Compiled from charts in The Chronicle of Higher Education and the reprint by Stafford Smiley, which he developed for the Congressional Research Service (complete listing in the Bibliography).

[1] This is real amount.

VIII. CHALLENGES FOR TODAY: PLANS FOR TOMORROW

Who is the beneficiary of higher education, the individual, or society? Consensus on an answer to this question has never been achieved due to a basic ideological rift between two polar extremes; proponents, on one end of the spectrum believe higher education benefits only the individual (in an economic sense) as opposed to those individuals who consider higher education to enhance the social welfare of the country. The Tenth Amendment to the Constitution leaves all powers not declared as the responsibility of the federal government to the states. Yet, the Constitution clearly states that the federal government will provide for the National Welfare. It has been argued both ways, that education is a national welfare concern.

Each succeeding historical period of our Republic has witnessed increasing federal involvement in matters concerning higher education. The Founding Fathers stressed the importance of education and wanted a national university to educate national leaders and bring refinement to the new nation. Legislators approved provisions for higher education as exemplified by the Ordinance of 1787, the two Morrill Acts, the College Student Work Program of the Great Depression, the numerous "G.I." Bills, the College Housing and Loan Act, and the omnibus education acts of the past two decades. The federal legislation was warranted by concerns to provide for the national welfare. Such concerns have fostered college-based programs dealing with manpower needs, defense-related activities, student aid, scientific research, health, and equal opportunity, to name a few.

The Nixon Presidency, which began in 1969, marked a new era for higher education. The faltering economic climate caused educators and politicians alike to re-examine the priority given to higher education. Since it is virtually impossible to adequately measure the social significance of higher education, the recent commissions and task forces have stressed the individual economic benefits of attending college. By focusing on an economic rather than a social welfare orientation the "market-model" (with the student as consumer and ultimate beneficiary) becomes utilitarian. In an ideal "market-model", consumers (students) who viewed higher education as a desirable product would be liable for the full costs of the product (education). Full-cost pricing by the institutions would lead to competition based on consumer demand for the particular products offered by the institution. Those consumers not able to afford the full-cost of the product would be deterred from attending college, the result being the closing of economically unfeasible institutions. This theory undermines provisions for the national welfare as the economic model encourages an educated elite based on economic dimensions.

Although total acceptance of the "market-model" philosophy was not embraced by the Committee for Economic Development or Carnegie Commission reports, both Commissions did recommend greater reliance on the individual

student for his/her education and an increase in tuition in the public sector. (For further clarification, see the CEB report and Priorities for Action, the final Carnegie report.) Such an increase would enable private colleges to better compete with publicly-supported institutions. In addition, the final report of the second Newman Task Force (1973) urged the federal government to let higher education institutions compete for students in order to promote a means of achieving public accountability.[78]

In a speech prepared for the Democratic National Affairs Task Force, Dr. Joseph Duffey of the AAUP emphasized that higher education is not an industry competing in the market place but a source of knowledge, skills, and competency for work.[79] Another proponent of the national welfare position, Rep. James O'Hara, has said the following: "I am suggesting that the economists' assumption that education only benefits the student is wholly unproven. . . I submit that we do not spend money on education--we invest it, and I submit that we have done so since the origins of this Republic, and we have done so knowingly and wisely."[80]

The Scranton Commission (1970) charged with the investigation of campus unrest, advised President Nixon of the following: "Government to higher education has been directed primarily to institutions rather than students; whatever the consequences of this strategy may have been, they have not included an increase in student influence over the growth and priorities of the university. Federal financial aid programs should be reformed to give a much larger proportion of aid directly to students in order to redress this imbalance."[81] The above philosophy has been translated into federal policy through the funding of the Basic Education Opportunity Grant Program, and the subsequent decline of categorical and research grants to institutions. In particular, science education programs funded by the National Science Foundation dropped by fifty percent from 1968 to 1973. "In fiscal 1968, NSF's total obligation for science education, including curriculum development, teacher training, graduate student support, and other acts, peaked at $134.46 million. By fiscal 1973, the

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78. Cheryl M. Fields, "Let Colleges Vie for Students, U.S. is Urged." The Chronicle of Higher Education, 8(October 29, 1973):1.

79. Joseph Duffey, "Post-Secondary Education in America: Scandals, Dilemmas, and Opportunities," address before the Democratic National Affairs Task Force of the Democratic National Committee, Washington, D.C., 15 September 1974.

80. James G. O'Hara, "Preserving the Public Universities and Colleges," address before The National Association of State Universities and Land Grant Colleges, Denver, Colorado, 13 November 1973.

81. William Scranton, "Scranton Report," The Chronicle of Higher Education, 5(October 5, 1970):24.

obligations compared for comparable acts had dropped to about $55 million, a whopping $80 million decline from the peak level."[82]

In order to increase public accountability of educational institutions, the Nixon Administration supported giving more responsibility for education to the states, and to the individuals who "directly benefit." The Administration hoped that revenue sharing would be used by the states for their own priorities, one of which might be education. However, regardless of funds received from revenue sharing, as the National Commission on Funding Postsecondary Education has reported, local or state governments might be unwilling or unable to provide adequate support of postsecondary education.[83] The public and private systems of higher education within the fifty states are of varying quality; even if the states were to utilize revenue-sharing funds to upgrade higher education, it is doubtful whether the existing discrepancies, in quality and diversity of programs within and among the states, would be minimized.

Provisions of the 1972 Amendments extended student assistance, for the first time, to individuals attending proprietary institutions, thereby legitimizing these schools as bona fide members of the postsecondary community. Enrollments have increased in the better-known proprietary schools and the vocationally-oriented community colleges while enrollments have decreased or stabilized in the other sectors. Indeed, President Ford's speech at the Ohio State University Summer Commencement (1974) emphasized the importance of career education, and urged greater cooperation between the academic community and the world of work. President Ford said: "What good is training if it is not applied to jobs? . . . What good is business and industry without those who solve their problems, perform their jobs, and spend their paychecks."[84] In addition, the concept of lifelong learning has gathered momentum. Fostered by the desire to improve their vocational positions, change careers, or simply increase their knowledge, many adults have begun to return to higher education. President Ford, in the same speech, recognized national concerns as well as the individual's need for self-fulfillment: "Your government will help you create a vocational environment responsive to our needs, but the government cannot achieve personal fulfillment for each of you. You, in this case, are the essential ingredient. Your determination, your dedication, your will, will make the significant difference."[85]

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82. Philip M. Baffey, "Undermining of Science Education Feared in NSF Reorganization," The Chronicle of Higher Education, 7(February 26, 1973):1.

83. National Commission on the Financing of Postsecondary Education, Financing Postsecondary Education in the United States (Washington, D.C.: Government Printing Office, 1973), pp. 44-45.

84. Gerald Ford, "Ford at Ohio State: Excerpts," The Chronicle of Higher Education, 8(September 16, 1974):6.

85. Ibid.

Regardless of the apparent acceptance by a majority of governmental leaders of the benefits of higher education for the individual and society, certain intervening variables have prevented a clear statement of federal policy. The amount of federal aid to higher education, at any given time, has fluctuated with the political and economic climate of the Nation; however, the issues stemming from race, religion and the public-private dichotomy have historically hindered a consensus on educational planning. Yet, the above controversies have been ignored in times of national crises, such as the Great Depression and various wars, when the branches of government intervened in higher education with additional federal programs. When the defense of the country or the public welfare has been jeopardized, the federal government has not hesitated to utilize all of its national resources, including higher education.

The present economic climate has accentuated the controversies generated by integration, equal opportunity, governmental aid to religiously-affiliated institutions, and the tuition-gap between the public and private sector. These issues must be adequately resolved if any serious long-range planning for higher education is to be comprehensive and effective.

From all indications, career education will continue to play an important part in governmental policy for higher education. The new priorities given to career education are challenging the supremacy of liberal and graduate (traditional) education and are thus causing consternation within certain corners of the higher education community. The basic need for survival has tempted many traditional institutions of higher education to offer career education programs in competition with vocationally-oriented institutions. The net effect of fierce competition for students may eventually lead to a contradiction between educational programs and institutional goals. One may question whether or not it is viable for the continuation of a diversified system of higher education, capable of assisting in times of national emergency, to shift its educational focus purely as a result of economic market demands and political whims.

Indeed, higher education must be responsive to the students it serves and must strive to meet its educational goals. Long range institutional planning, as well as long range federal and state plans for postsecondary education, could enable institutions to better plan for change and could give them the stability needed to reach their ascribed goals.

The following quotation from the recent Report of the National Commission on the Financing of Postsecondary Education adequately summarizes the dilemma of the federal government in regard to aid to higher education and to the vulnerability of higher educational institutions to a splintered public policy.

"Public priorities change from time to time, but the state and federal governments, with their immense stake in postsecondary educational institutions as national and regional resources, must temper their actions in favor of providing greater stability to the educational enterprise as a whole."[86]

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86. National Commission, Financing, p. 218.

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